



**BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE
HELD ON MONDAY 26th NOVEMBER 2018 IN ROOM 413, COPPER BUILDING AT 6.00 P.M.**

Present: William Baldwin (Principal), Jo Davis (co-opted Committee Member Howard Kidd (Chair of Resources Committee), Sandra Prail (Chair of Governors), Sue Smith (Governor – Support Staff)

In attendance: Alison Cousens (Assistant Principal – Student Services), Jutta Knapp (Assistant Principal – Resources), James Moncrieff (Deputy Principal), Chris Nagle (HR Manager), Louise Pennington

Gillian Hampden-Thompson was in attendance for the IT Consultancy item.

NOTE: FOR EASE OF REFERENCE QUESTIONS AND COMMENTS FROM GOVERNORS HAVE BEEN INCLUDED IN BOLD ITALICS

R18/01 Apologies and Welcomes

Apologies: Chris Newson, Neil Perry, Mark Snape

The meeting was quorate.

R18/02 Minutes of the Last Meeting

Resources Committee Meeting held on 20th June 2018

The Resources Committee minutes were considered and approved by the Committee and the Chair authorised to sign them.

R18/03 Matters Arising

Jutta Knapp confirmed the actions which had been completed and updated Governors regarding progress with other items. She confirmed that regarding the Staff Satisfaction Survey that this exercise would be completed biennially owing to the number of surveys already circulating via various College departments. **ACTION: Louise Pennington**

R18/04 Declaration of Interests - None declared.

As Gill Hampton-Thompson (Chair of Q & C Committee) was present, it was decided to take IT Consultancy item first.

Item R18/14 IT Consultancy – CONFIDENTIAL – The Committee resolved to transfer this item to confidential minutes.

Gillian Hampden-Thompson was thanked for joining the meeting for this item after which she left the meeting.

R18/05 HR Matters

Chris Nagle presented the various HR items below and the following points were recorded:

a) Termly Update on HR Issues

There has been an increase in case work for the HR team over last 12 months including restructure of Personal Assistance which involved some redundancies. HR has also had to deal with a staff capability issue which resulted in a dismissal and there is currently one grievance

case which is being worked on. The latter may proceed to ACAS which will be confirmed by the deadline for completing the case internally being 1st December.

b) Recruitment and Retention of Staff (including HR EDIMS) 2017-2018

The content of the annual report was noted including the improvements regarding the Support Staff analysis in terms of achieving a greater number of applicants per vacancy. Furthermore the HR Department has secured a unlimited advertising package with TES and this has generated greater interest and response from a wider area for Support Staff vacancies.

HR Department will continue to focus on improving the return rates for Staff leavers' questionnaires, which remains disappointing.

c) Staff Absences and Wellbeing Report

Overall the Reports shows improvements for the latest year compared to previous years with sickness absence having reduced for the first time in three years. Long term absences are being managed more closely and a number have been resolved either via retirement or staff leaving the College and occupational health/counselling services provided at College are also working well. The following additional points were highlighted:

- Absence from mental ill health and stress – this has reduced from 22% to 8% which contradicts the national trend when looking at the benchmarking data.
- SWELL activities provided by the College to staff remain popular.
- 1.5 days per week from a dedicated mental health worker has been provided by the Local Authority to all Colleges in the area and SLT will be looking at the impact of this over time. Support staff absence, although decreasing, remains above the national benchmark and the HR Manager explained that a significant proportion of the absences arose from the part time evening cleaners, although explained that this was being investigated by HR Department as it appears that other issues are contributing to the absences (on average 18.5 days sickness per team member (team of 13). To ensure cleaning cover is provided regardless, the College has had to utilise agency cover. HR Department has also liaised with other Colleges to determine whether they operate in a similar way to BHASVIC regarding cleaning staff or use outsourcing services. Further work will be carried out by management to resolve the matter and all options will be considered.

d) Gender Pay Gap Report

The Committee noted the "snapshot" data as at 31st March 2018 which is required to be uploaded to the College's website and the relevant Government Portal, shows the staff mean and median figures. In summary and comparing with last year, which shows an improvement, the figures are as follows:

All Staff mean – 16.8 (last year 10.3)
All Staff median – 11.2 (last year 19.4)

In response to a question from the Committee, the HR Manager explained that the changes implemented to improve the Support Staff pay spine, would not yet be reflected in the data analysis.

The Committee queried whether there was any response from Staff or from external sources and the HR Manager advised that there had been no response.

e) Pay/PDR Issues including National Pay Negotiations

Jutta Knapp explained that progress in national negotiations had been delayed owing to other issues arising from various Teacher Union mergers regarding internal rules and regulations such as voting.

Furthermore with regard to Support Staff, no feedback has been received regarding any negotiation involving Unison etc.

Regarding the Teachers' pay review, William Baldwin reported that at the recent SFCA regional Chairs and Principals meeting which both he and the Chair attended, they were informed that there had been no further progress between the 1% offer from the SFCA and the 5% initial demand from Teacher Unions. The whole negotiation process will be complicated by the offer made to the Academies by the Department for Education (same offer as made to the Schools), where by 3.5% has been agreed (average being 2.5%, with 3.5% being offered to those at the lowest spine points. The latter offer would apply to all year groups including 16 – 18 academies which have sixth forms, which would prove to be inconsistent with the SFCA terms and conditions to which many of the Academies with Sixth Forms subscribe. At this point Governors were reminded that SFCs would be classified as institutions operating within the private sector and not the public sector (schools and academies), the latter of which will receive some grant funding towards the increase pay rise.

The College has allocated an additional 1% contingency in the budget to account for any negotiated agreement over the 1% initial offer.

f) JUMCoG Report

William Baldwin advised the Committee that there were nothing significant to report and that the next JUMCoG agenda included the following items – staff workload and policies.

At this point Chris Nagle left the meeting, having been thanked for her input.

R18/06 Annual Report and Financial Statements to 31st July 2018, Management Report and Annex (Audit Findings Report – for information).

Howard Kidd introduced the paper and highlighted the following key points and answered questions from the Committee.

- The Committee focused on the financial statements and noted that the Audit Committee would be considering the Audit Findings Report with the intention of recommending that to Corporation.
- Unqualified audit opinion both for the financial statements and the regularity audit work.
- Operating deficit of £439K against budget surplus of £112K (management accounts for period to April 2018, forecast a surplus of £107K).
- Main variance includes pension treatment of £(426K) and pension interest of £(79K), based on actuarial analysis and advise and representing an accounting adjustment rather than costs actually incurred during the year. Governors' attention was drawn to the Statement of Comprehensive Income on page 22 of the document (page 63 of papers) of the Financial Statements which reflects the pension adjustment (and movement on investments), without which the College would achieve a small surplus. At this point reference was also made to the I and E account presentation in the Management Accounts – refer below.
- Page 65 of the papers (page 36 of the document) – note 13 Creditors amounts falling due after more than one year – of the £7.5M total, £3.6M relates to bank loans and the balance of £3.9M to government capital (i.e. capital grant): this sum is included here to record the College's liability to the ESFA and reflect the treatment required to release this over the life of the building. Howard Kidd explained the change in treatment as the grant is now included within current assets on the balance sheet (previously in total reserves).
Accounts reflect the College's current strong cash position and the College continues to generate profit from its normal operations as demonstrated on page 66 of the papers (page 37 of the document), where the cash flow shows an increase of £207K (item 16 Cash Flow).
- ***In response to a Governor question*** The Committee noted the error on the first page of the front sheet accompany the document – section on Financial Targets – as no changes to targets are proposed.

The Committee recommended the Annual Report and Financial Statements to the Corporation for approval. **ACTION: Jutta Knapp**

R18/07 Management Accounts for 9 Months to 30 April 2018

Howard Kidd and Jutta Knapp presented the figures to the Committee and the following discussion points were recorded:

- First quarter accounts to 31/10/18 reflects the fact that the College has a relatively strong cash position at this early stage, with no significant variances at present and overall broadly demonstrating a reasonably health financial position.
- The Predicted Outturn is currently the same as the Budgeted figure which is not unexpected at this early stage.
- At the next report (6 month position) there may be some more significant changes depending upon the outcome of the IT consultancy/review, as discussed at the start of the meeting, the costs of which may be allocated to revenue or capital.
- The Committee was reminded about the adjustment in accounting treatment of certain IT equipment spend.
- Howard Kidd raised a few points around communication between SMT and the Resources Committee Chair and associated accounting treatment in connection with the above point. He wanted to encourage improved communication in order to ensure better all-round understanding of financial decisions made by the College and the associated accounting policy treatment. He also reported that there had been a stated view by a member of SMT that if the adjustment referred to above had not gone through, the audit would have been qualified; Howard Kidd asserted that this was not the case. Furthermore a comment had also been made that accounting policy adjustments were not in the domain for Governors to comment on which again Howard Kidd refuted and stated that Governors were entitled to comment on and challenge such matters.
- Cashflow analysis for the year to 31/7/19 – total current cash including the capital project being £390K.
- ***In response to a question from the Committee regarding the cash flow figures included in the Management Accounts,*** Howard Kidd explained the differences in reporting between the financial statements and the management accounts.

It was agreed that the Management Accounts would be presented to Corporation for information.

ACTION: Jutta Knapp

b) Future Finances – CONFIDENTIAL ITEM - it was resolved to transfer this item to confidential business – refer separate confidential minutes.

R18/08 Condition of Funding Agreement (ESFA) – significant changes only

Jutta Knapp introduced the paper explaining that the agreement represented the College's contract for funding with the ESFA. At this point Governors were also reminded that the external auditors completed a regularity audit at the same time as the financial statements' audit, the former of which related to the proper use by the College of the ESFA's funds and in accordance with the funding agreement.

The full agreement would be made available on request from Governors but would also be uploaded to the Governors' Induction and Reference folder on the VLE. The changes to the funding agreement were noted by the Committee.

Jutta Knapp explained that the main change to the agreement related to insolvency of Colleges.

R18/09 Premises Update

Jutta Knapp introduced the paper which summarised the progress since the last Resources Committee.

It was noted that the contractor (Willmott Dixon) had been appointed by the Premises Group (e mailed agreement) in October 2018 and that the process had followed OJEU. Jutta Knapp also explained that although it had been intended that Mark Snape (co-opted Member of the Resources Committee) would participate in the Tender Board meetings to interview the selected contractors, he had been unable to attend at the last minute owing to Unforeseen circumstances.

The final design stage is being progressed and it's proposed that the building work will commence in April 2019 with an end date of July 2020, noting that the dates had been delayed slightly.

Regarding overall project costs, the Committee asked for further explanation and Jutta Knapp reported that the initial cost statement from Willmott Dixon is higher than the £8.5M budget for the works by approximately £2M. In light of the fact that the College's £8.5M budget is the maximum spend available, at a meeting held earlier today, the Project Manager, contractors and mechanical engineers etc have been asked to review the figures to identify the reasons for this and to investigate possible solutions to reduce costs, including value engineering where appropriate.

A follow up meeting with the Project Team and SMT has been scheduled in two weeks to review the designs, discuss the movement of the Science laboratories

Student representatives will be meeting with the contractors to discuss student and environmental issues to ensure that all aspects have been taken into consideration.

Note was also made of the plans for re-designation of the space in College House.

The Committee discussed the Section 106 agreement and Jutta Knapp reported that the S106 agreement with the Local Authority which is a condition required for planning approval and was reported at earlier meetings, had been signed by the Chair and Principal on behalf of the College and the Committee endorsed this. The Section 106 agreement comprises a payment towards local transport, art and employability needs of approximately £110,000.

In conclusion the Committee endorsed the contents of the paper, recommending the approval of the contractors to Corporation. **ACTION: Jutta Knapp**

R18/10 Policies and Other Documents

a) College Development Plan (CDP) – Section 4 2017/2018

The Committee noted the contents of the executive summary of the CDP section 4 and that sections 1 -3 had been presented to the Quality and Curriculum Committee. Of the 13 operational targets for 2017/2018 SMT has met all but 1, the latter of which is progressing the ICT Strategy. Governors were reminded that the key target for the year related to achieving the capital project and associated planning approvals, together with optimising the College's Student numbers.

Corporation will be presented with the CDP for 2018/2019 at the December 2018 meeting.

b) Fire Safety Policy

Minor amendment was noted and recommended for Corporation for approval. **ACTION: Jutta Knapp**

c) Reserves Policy Statement (to be incorporated into Business Procedures)

Governors were reminded of the discussions held at the last meeting, noting that Howard Kidd and Jutta Knapp had reviewed the wording, with the final details included in the paper. The Committee recommended the procedures to Corporation for approval and that the Statement would be incorporated into the Business Procedures. **ACTION: Jutta Knapp**

R18/11 Finance Dashboard and ESFA Assessment of Financial Plan

Jutta Knapp introduced the paper and confirmed that the College had submitted its financial plan by 31st July, including the College’s own financial health self-assessment, to the ESFA as required from which the ESFA completes its assessment and issues a financial health rating for the two year period.

The ESFA’s assessment concurs with the College’s own self-assessment and there were no issues identified by the ESFA.

The contents of the Financial Dashboard were also noted, representing a summary of the College’s financial statements and future forecast, based on the financial plan. From every College’s submissions of key financials, the ESFA issues benchmarking data.

Jutta Knapp summarised a few of the key points from the analysis and explained the impact of the various graphs from the College’s bank loan arrangements and future borrowings in respect of the capital project, impact on reserves and also highlighted the staff costs ratio which compares favourably against other Colleges.

R18/12 Annual Health and Safety Update

The contents of the update were noted by the Committee and that there were no significant concerns. However it was noted that where issues arose it was usually owing to the fact that the College health and safety processes had not been followed.

R18/13 Risk Assurance

The Committee considered the paper prepared by the Principal and reviewed the key risks falling within the Resources Committee’s remit and the changes were endorsed.

Jutta Knapp agreed to pass on the Committee’s confirmation regarding risk assurance to the Audit Committee. **ACTION: Jutta Knapp**

R18/14 IT Consultancy – CONFIDENTIAL ITEM – this item had been taken at the start of the meeting – refer confidential minutes.

R18/15 Any Other Business

In response to a question from Sandra Prail regarding the VLE Governors’ access to meeting papers, the Committee members provided positive feedback.

R18/16 Date of Next Meeting

Monday 4th March 2019 at 6.00 p.m.

Chair.....Date.....